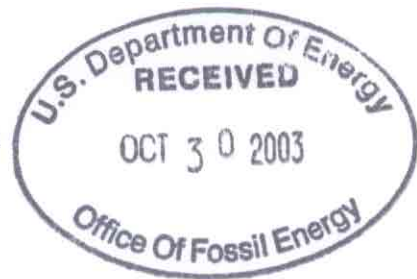


UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY



In the Matter of:)
)
PSEG Energy Resources & Trade LLC)

Docket No. EA-250

-A

**APPLICATION OF PSEG ENERGY RESOURCES &
TRADE LLC FOR RENEWAL OF AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO CANADA**

PSEG Energy Resources & Trade LLC ("PSEG ER&T" or "Applicant"), pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. § 824a(e), and 10 C.F.R. § 205.300 *et seq.*, hereby files this application (the "Application") for renewal of blanket authority¹ to transmit electric energy from the United States to Canada. In compliance with **10 C.F.R. § 205.302**, PSEG ER&T says:

1) The exact legal name of the Applicant PSEG ER&T is PSEG Energy Resources & Trade LLC. PSEG ER&T is a wholly-owned subsidiary of PSEG Power LLC. PSEG Power LLC is a wholly-owned subsidiary of Public Service Enterprise Group ("PSEG"). On August 21, 2000, pursuant to the terms of the Final Decision and Order issued by the New Jersey Board of Public Utilities ("NJBPU") under the New Jersey Energy Master Plan and the New Jersey Electric Discount and Energy Competition Act, Public Service Electric and Gas Company ("PSE&G"), the wholly-owned electric utility subsidiary of PSEG, transferred its generation-related assets and liabilities to PSEG Power and its wholly-owned subsidiaries PSEG Nuclear LLC ("PSEG Nuclear"), PSEG Fossil LLC ("PSEG Fossil") and its wholesale power contracts to

PSEG ER&T. PSEG ER&T currently purchases all of the capacity and energy from PSEG Fossil and PSEG Nuclear. PSEG ER&T operates as a marketer² and broker of electricity, capacity, ancillary services and natural gas products on a wholesale basis throughout the Eastern and Midwestern United States. PSEG ER&T is a fully integrated marketing and trading organization that is active in the long-term and spot wholesale energy markets. PSEG ER&T's principal and executive offices are located at 80 Park Plaza, Newark, New Jersey 07101-0570. PSEG ER&T is a member of the PJM Interconnection, L.L.C. ("PJM"). PJM coordinates the electric system loads, electric generation and electric transmission facilities of its members, and is the largest power pool in the United States, serving a combined peak load of approximately 50,000 megawatts, about 8 percent of the Nation's total.

- 2) PSEG ER&T does not have any partners to this Application.
- 3) All service and correspondence concerning this Application should be sent to:

Steven R. Teitelman
President
PSEG Energy Resources & Trade LLC
80 Park Plaza, T21
Newark, NJ 07102

Thomas P. Thackston
Senior Attorney
PSEG Services Corporation
80 Park Plaza, T5G
Newark, New Jersey 07102

- 4) The Applicant is organized under the laws of the State of Delaware. The Applicant is authorized to operate in the State of New Jersey.

- 5) The United States Department of Energy ("DOE"), office of Fossil Energy, is the sole agency with jurisdiction over the proposed export of energy to Canada. *See* Federal Power Act Section 202(e), 16 U.S.C. § 824a. No other known Federal, State or local government has

¹ In the Matter of PSEG Energy Resources & Trade LLC, Docket No. EA-250 (Nov. 6, 2001)

jurisdiction over the proposed actions described in the Application. PSEG ER&T will obtain any and all other regulatory approvals required and will make all necessary commercial arrangements including:

- a) scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards, and guidelines of the Northern American Electric Reliability Council ("NERC") and member regional councils in effect at the time of export, and;
- b) obtaining all necessary transmission access over the existing facilities listed in Exhibit C.

6) The Transmission Facilities through which electric energy will be delivered into Canada pursuant to this application are listed in Exhibit C.

7) PSEG ER&T seeks authority to export electric power to Canada. As the DOE noted in Order No. EA-102 authorizing Enron Power Marketing, Inc. to export power ("*Enron*"),³ DOE may utilize the reliability analyses performed in the most recent export authorization proceedings in order to make the findings required for a grant of export authority to other applicants. PSEG ER&T respectfully requests that DOE exercise such authority and agrees to abide by the export limits contained in the relevant export authorization applicable to any transmission system over which PSEG ER&T exports electric power to Canada.

8) The controls which are inherent to any transaction in compliance with all NERC requirements and the export limits imposed by DOE on the transmission systems identified in

² As used herein, the terms "marketer" and "power marketer" mean an entity that buys and sells electric power for its own account. PSEG ER&T has a currently effective power marketing rate schedule approved by the Federal Energy Regulatory Commission ("FERC"). A copy of the Order issued in Docket Nos. EC99-79-000 and ER99-3151-000, September 29, 1999, wherein PSEG ER&T received FERC authorization to make sales of electric power at wholesale in interstate commerce at market-based rates is attached hereto as Attachment 1.

Exhibit C are sufficient to ensure that exports by PSEG ER&T would not impede or tend to impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA. PSEG ER&T proposes to comply with the same procedures as were required in *Enron*.

9) From time to time PSEG ER&T will enter into agreements with third parties that involve the export of electric power from the United States to Canada. Prior to commencing the export of electric power under such agreements, PSEG ER&T will provide DOE with written evidence that sufficient transmission access to complete the export transaction has been obtained. PSEG ER&T will make and preserve complete records with respect to the electric power exported to Canada and will provide DOE with quarterly reports within 30 days following each calendar quarter. These quarterly reports will show the gross amount of kilowatt-hours of electric energy delivered, the cumulative consideration received therefor during each month of the previous quarter and the maximum hourly rate of transmission (MWhr/hr).

10) In compliance with 10 C.F.R. § 205.303, PSEG ER&T says:

- a) **Exhibit A** -- Not applicable. No identified transactions are currently under consideration.
- b) **Exhibit B** -- Legal opinion of PSEG ER&T's Counsel, see attached.
- c) **Exhibit C** -- Identification of the proposed border crossing point(s) or power transfer point(s) by Presidential Permit number, see attached.
- d) **Exhibit D** -- Not applicable.
- e) **Exhibit E** -- Not applicable.
- f) **Exhibit F** -- Not applicable.

³ *Enron Power Marketing, Inc.*, DOE Order No. EA-102 (February 6, 1996).

11) The following attachment sets forth additional information as described in the Application.

a) **Attachment 1** – A copy of the Order issued in Docket No. EC99-79-000 and ER99-3151-000 dated September 29, 1999.

b) **Attachment 2** – Verification of Corporate Officer

WHEREFORE, PSEG ER&T respectfully requests that the Application for blanket authority to transmit electric energy to Canada be expeditiously considered and approved on terms substantially similar to those required in *Enron*.

Respectfully submitted,

Dated: October 23, 2003



Thomas P. Thackston
Senior Attorney
PSEG Services Corporation
80 Park Plaza
Newark, New Jersey 07101

Exhibit B

LEGAL OPINION

The following opinion is given in support of the Application of PSEG Energy Resources & Trade LLC for authorization to transmit electric energy to Canada, dated October 23, 2003. I am an attorney at law, authorized to practice law in the State of New Jersey;

1. I am employed as an attorney;
2. PSEG Energy Resources & Trade is a Limited Liability Company, validly existing and in good standing under the laws of the State of Delaware;
3. PSEG Energy Resources & Trade has full corporate power and authority to export electric energy to Canada as requested in the Application; and
4. PSEG Energy Resources & Trade has complied or will comply with all pertinent Federal and state laws.

Dated: October 23, 2003



Thomas P. Thackston
Senior Attorney

Exhibit C
UNITED STATES INTERCONNECTIONS WITH CANADA

| OWNER | LOCATION | VOLTAGE | PRESIDENTIAL PERMIT |
|--------------------------------------|-------------------------|----------------|--------------------------------|
| Basin Electric | Tioga, ND | 230 kV | PP-64 |
| Bonneville Power Authority | Blaine, WA | 2-500kV | PP-10 |
| Bonneville Power Authority | Nelway, WA | 230 kV | PP-36 |
| Bonneville Power Authority | Nelway, WA | 230 kV | PP-46 |
| Citizens Utilities | Derby Line, VT | 120 kV | PP-66 |
| Detroit Edison | St. Clair, MI | 345 kV | PP-38 |
| Detroit Edison | Maryville, MI | 230 kV | PP-21 |
| Detroit Edison | Detroit, MI | 230 kV | PP-21 |
| Detroit Edison | St. Clair, MI | 345 kV | PP-58 |
| Eastern Maine Electric Co-op | Calais, ME | 69 kV | PP-32 |
| Joint Owners of the Highgate Project | Highgate, ME | 345 kV | PP-82 |
| Long Sault, Inc | Massena, NY | 2-115 kV | PP-24 |
| Maine Electric Power Co | Houlton, ME | 345 kV | PP-43 |
| Maine Public Service Co | Limestone, ME | 69 kV | PP-12 |
| Maine Public Service Co | Fort Fairfield, ME | 69 kV | PP-12 |
| Maine Public Service Co | Arookstook Co., ME | 138 kV | PP-29 |
| Maine Public Service Co | Madawaska, ME | 2-69 kV | PP-29 |
| Minnesota Power and Light Co. | International Falls, MN | 115 kV | PP-78 |
| Minnkota Power | Roseau, MN | 230 kV | PP-61 |
| New York Power Authority | Massena, NY | 765 kV | PP-56 |
| New York Power Authority | Massena, NY | 2-230 kV | PP-25 |
| New York Power Authority | Niagara Falls, NY | 2-345 kV | PP-74 |
| New York Power Authority | Devils Hole, NY | 230 kV | PP-30 |
| Niagara Mohawk Power Corp | Devils Hole, NY | 230 kV | PP-31 |
| Northern States Power | Red River, ND | 230 kV | PP-45 |
| Northern States Power | Roseau County, MN | 500 kV | PP-63 |
| Vermont Electric | Norton, VT | 450 kV(DC) | PP-76 |

Verification

I, Steven R. Teitelman, President, PSEG Energy Resources and Trade, having knowledge of the matters set forth in the above Application for Authorization to Transmit Electric Energy to Canada, hereby verify that I am authorized to execute this Verification and that the contents of this Application are true and correct to the best of my knowledge and belief.



Steven R. Teitelman
President

Signed and sworn to before me, this Twenty-third day of October, 2003.



Thomas P. Thackston
Attorney-At-Law
State of New Jersey